

this country are rhapsodic about one thing, and that is that we got our budget house in order. The fact that we have a surplus this year is nothing short of a miracle, and the people know it. But if we start spending it and squandering it instead of dealing with the problems we still have we will be back in trouble. The other day, Mr. President, you were in the Appropriations Committee when I made a short speech about what a tough time we had crafting this agriculture bill.

I said, "You know we don't have any money to do much of anything."

A couple of weeks ago, I had a delegation come to me from the Mississippi River delta, the poorest part of my State. Four communities described graphically for me how, every time they have a heavy rain, sewage runs down the street and runs down the ditches. The health consequences of that are absolutely incalculable. I said, "I have looked high and low, looked everywhere in this budget, and every other budget, trying to find \$2.8 million to alleviate this problem." Because I made that speech there in the committee, I think I about got it solved. But I can tell you, that is going to be the greatest thing that has ever happened to those people in those communities. When I was a kid, we didn't understand why people died of typhoid fever in the summer because the outhouse was just 10 steps away from the water well. That is sort of the situation these people are living in.

Mr. President, we have a lot of unmet needs in this country, and I am not voting for any tax cuts until we address those.

I yield the floor.

Mr. FAIRCLOTH addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

COMMODITY FUTURES TRADING COMMISSION

Mr. FAIRCLOTH. Mr. President, I do not have an amendment. I simply want to discuss very briefly an issue that I may later offer an amendment on to this legislation, and it is an issue that I understand you are also interested in, Mr. President. It is concerning the Commodity Futures Trading Commission. The Chairwoman of the Commission, Brooksley Born, is attempting to reverse the current policy at the CFTC that Congress directed over 5 years ago.

Mr. President, the issue is this. We have a \$28 trillion swaps market in the United States. The vast majority of these swaps are privately negotiated contracts. They are not traded on any exchange; they are privately negotiated contracts. The business has grown rapidly in the last few years. It has become an important financial tool for institutions to hedge their risks. But, clearly, it is not a trading issue, this is a—it is redundant to say—privately traded issue. These are swaps between those companies.

Yet, the CFTC now has under review a "concept release"—a good bureau-

cratic term—a "concept release" to regulate these privately negotiated instruments. Essentially, the CFTC wants to vastly broaden its regulatory authority over a multitrillion-dollar market. The problem is that these are negotiations, again, between private firms. Furthermore, if one of the parties in the contract is a bank, these products are regulated by the bank regulators. And we do not need a dual regulation.

The result of the CFTC action will be that a trillion-dollar industry will, very simply, be driven out of this country. It will be driven overseas.

In case anyone thinks that this is just my opinion, in a move that I have rarely seen in Washington—we certainly haven't been seeing lately—in an incredible move, Chairman Greenspan, Secretary Rubin, and Secretary Arthur Levitt issued a joint statement saying they have "grave concerns" with what is being proposed to be done by Ms. Born.

How often do you see the three principal financial regulators of the country come together to express grave concern over an issue and rebuke another financial regulator? You simply do not see it happen. They are concerned, and the potential for great loss to this country is just tantamount to it happening.

The Treasury Department has even gone to such lengths as to formally send legislation to the Congress to stop this potential regulation. It is the Treasury Department under Secretary Rubin, and they may even go to such lengths to stop it.

I want to, if I may, Mr. President, read a joint statement. This statement was issued by Mr. Rubin, Mr. Greenspan, and Mr. Levitt.

On May 7, the Commodity Futures Trading Commission ("CFTC") issued a concept release on over-the-counter derivatives. We have grave concerns about this action and its possible consequences. The OTC derivatives market is a large and important global market. We seriously question the scope of the CFTC's jurisdiction in this area, and we are very concerned about reports that the CFTC's action may increase the legal uncertainty concerning certain types of OTC derivatives.

The concept release raises important public policy issues that should be dealt with the entire regulatory community working with Congress, and we are prepared to pursue, as appropriate, legislation that would provide greater certainty concerning the legal status of OTC derivatives.

Furthermore, Chairman JIM LEACH of the House Banking Committee has introduced similar legislation.

To me, the agreement of this number of people on one issue is unprecedented. We need to wake up and realize that we have a rogue regulator—I know of no nicer way to put it—at the CFTC that is threatening to drive a trillion-dollar business out of the United States.

My amendment, if I introduce it, would simply state that no final rule on this can be promulgated during fiscal year 1999. This is the amendment that I have contemplated.

Mr. President, this is a very complex subject. We do not need to rush to judgment. It needs thorough and careful review. It is not the type of thing that attracts a lot of attention on the Senate or the House floor. As we said, it is not a subject that is easily understood. But even for those who do not understand it, Secretary Rubin, Chairman Greenspan, and Secretary Levitt all agree with House Banking Committee Chairman JIM LEACH that it is a dangerous direction that Ms. Born is heading and one that we should not be going in.

It is simply time for us to stop and give us a year to review the implications of what she is talking about. And, further, the CFTC is up for reauthorization next year anyway. If it needs to be done, that would be the time to do it, and we could address it at that time.

Mr. President, I thank you. I look forward to working with you on this program.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2729

Mr. DASCHLE. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota (Mr. DASCHLE) proposes an amendment numbered 2729.

Mr. DASCHLE. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment (No. 2729) is printed in today's RECORD under "Amendments Submitted.")

Mr. DASCHLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SESSIONS). Without objection, it is so ordered.

MORNING BUSINESS

Mr. COCHRAN. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 11:28 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 375. An act for the relief of Margarita Domantay.

H.R. 1949. An act for the relief of Nuratu Olarewaju Abeke Kadiri.

H.R. 3035. An act to establish an advisory commission to provide advice and recommendations on the creation of an integrated, coordinated Federal policy designed to prepare for and respond to serious drought emergencies.

H.R. 3069. An act to extend the Advisory Council on California Indian Policy to allow the Advisory Council to advise Congress on the implementation of the proposals and recommendations of the Advisory Council.

H.R. 3097. An act to terminate the Internal Revenue Code of 1986.

H.R. 3156. An act to present a congressional gold medal to Nelson Rolihlahla Mandela.

H.R. 3796. An act to authorize the Secretary of Agriculture to convey the administrative site for the Rogue River National Forest and use the proceeds for the construction or improvement of offices and support buildings for the Rogue River National Forest and the Bureau of Land Management.

H.R. 3824. An act amending the Fastener Quality Act to exempt from its coverage certain fasteners approved by the Federal Aviation Administration for use in aircraft.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 1847) to improve the criminal law relating to fraud against consumers.

ENROLLED BILLS SIGNED

The message further announced that the Speaker has signed the following enrolled bills:

H.R. 1847. An act to improve the criminal law relating to fraud against consumers.

S. 1900. An act to establish a commission to examine issues pertaining to the disposition of Holocaust-era assets in the United States before, during, and after World War II, and to make recommendations to the President on further action, and for other purposes.

The enrolled bills were signed subsequently by the President pro tempore (Mr. THURMOND).

At 12:37 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agrees to the report of the committee of the con-

ference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2646) to amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual retirement accounts for the elementary and secondary school expenses, to increase the maximum annual amount of contributions to such accounts, and for other purposes.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 375. An act for the relief of Margarita Domantay; to the Committee on the Judiciary.

H.R. 1949. An act for the relief of Nuratu Olarewaju Abeke Kadiri; to the Committee on the Judiciary.

H.R. 3069. An act to extend the Advisory Council on California Indian Policy to allow the Advisory Council to advise Congress on the implementation of the proposals and recommendations of the Advisory Council; to the Committee on Indian Affairs.

H.R. 3097. An act to terminate the Internal Revenue Code of 1986; to the Committee on Finance.

H.R. 3796. An act to authorize the Secretary of Agriculture to convey the administrative site for the Rogue River National Forest and use the proceeds for the construction of improvement of offices and support buildings for the Rogue River National Forest and the Bureau of Land Management; to the Committee on Energy and Natural Resources.

MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second times, and place on the calendar:

H.R. 3035. An act to establish an advisory commission to provide advice and recommendations on the creation of an integrated, coordinated Federal policy designed to prepare for and respond to serious drought emergencies.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on June 18, 1998, he had presented to the President of the United States, the following enrolled bill:

S. 1900. An act to establish a commission to examine issues pertaining to the disposition of Holocaust-era assets in the United States before, during, and after World War II, and to make recommendations to the President on further action, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-5570. A communication from the Chairman of the United States International Trade Commission, transmitting, pursuant to law, the report of a rule entitled "Amend-

ments to Rules of Practice and Procedure" received on June 12, 1998; to the Committee on Finance.

EC-5571. A communication from the Secretary of Energy, transmitting, pursuant to law, the report on fissile materials in the former Soviet Union for fiscal year 1997; to the Committee on Armed Services.

EC-5572. A communication from the Chairman of the Federal Energy Regulatory Commission, transmitting, pursuant to law, the Commission's annual report for fiscal year 1997; to the Committee on Energy and Natural Resources.

EC-5573. A communication from the Director of the Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled "License Term for Medical Use Licenses" (RIN3150-AF77) received on June 15, 1998; to the Committee on Environment and Public Works.

EC-5574. A communication from the Secretary of State and the Secretary of Defense, transmitting, pursuant to law, a report on plans to enhance coalition interoperability in the face of chemical or biological weapon threats; to the Committee on Foreign Relations.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-481. A resolution adopted by the Senate of the Legislature of the State of Alaska relative to compensation of Holocaust victims by the Swiss banking industry; to the Committee on Foreign Relations.

POM-482. A resolution adopted by the National Association of the Physically Handicapped, Inc. (Okemos, Michigan) relative to physician-assisted suicide; to the Committee on Labor and Human Resources.

POM-483. A resolution adopted by the National Association of the Physically Handicapped, Inc. (Okemos, Michigan) relative to non-profit hospital sales; to the Committee on Labor and Human Resources.

POM-484. A resolution adopted by the National Association of the Physically Handicapped, Inc. (Okemos, Michigan) relative to community health care; to the Committee on Labor and Human Resources.

POM-485. A joint resolution adopted by Legislature of the State of Tennessee; to the Committee on Commerce, Science, and Transportation.

SENATE JOINT RESOLUTION No. 712

Whereas, This General Assembly acknowledges the importance and emerging dependence of business, government and society on the Internet as a growing part of our system of communications and commerce; and

Whereas, The members of this legislative body also recognize that the Internet as a medium of free speech contains, in addition to its many salutary features, potential dangers for society and especially our youth, in that it can provide uncontrolled and instantaneous access to obscenity, child pornography and other adult-oriented materials that are harmful to youth; and

Whereas, In 1996, Congress attempted to place restrictions on the Internet to curb these dangers by the passage of the Communications Decency Act of 1996, which was declared unconstitutional in part by the United States Supreme Court in the case of *Reno v. ACLU*; and

Whereas, The Internet is in a developing stage and software developments and other market forces may eventually allow Internet providers to provide clean Internet services